

**REQUEST FOR PROPOSALS
FOR
BANKING SERVICES**

Office of State Treasurer Young Boozer

Issue Date: May 1, 2014

Due Date: May 28, 2014

***BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT
COMPLIANCE***

The Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§§31-13-1 et seq, Code of Alabama, 1975 as amended by Act 2012-491) regulates illegal immigration in the State of Alabama. All contracts with the State or a political subdivision thereof must comply with that law.

For the purposes of this RFP and any responding Proposal, the following sections of that law impose specific requirements: Section 9 (a) of the Act provides “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees, the business entity or employer shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.”

Section 9(b) of the Act requires “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees within the State of Alabama, the business entity or employer shall provide documentation establishing that the business entity or employer is enrolled in the E-Verify program.”

As provided in the Act a “**business entity**” is *any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit* and an “**employer**” is defined as *any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.*

A Proposal must include a statement that the Proposer has knowledge of this law and is in compliance. Before a contract is signed, the Contractor awarded the contract must submit a Certificate of Compliance using the form at Exhibit D to this RFP and, unless exempt because it has no employees in the State of Alabama, a complete copy of the Memorandum of Understanding issued by the United State Department of Homeland Security upon enrollment in the E-Verify Program. E-Verify enrollment can be accomplished at the website of the United States

Department of Homeland Security at <http://www.uscis.gov>.

See Section 9 for additional language required by Section 9(k) of the Act to be included in the contract.

Rev.5-14-13

1. Purpose

State Treasurer Young Boozer (“Treasurer”) solicits proposals from qualified public depositories interested in providing payroll and debit card services (“Bank”) to the State of Alabama.

This Request for Proposals (“RFP”) is issued in accordance with the requirements of Section 41-16-72(4), Code of Alabama (1975). This RFP is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of a contract with a qualified public depository. *The Treasurer reserves the right to reject any or all proposals and the right to solicit additional proposals if that is determined to be in the best interests of the State of Alabama.*

2. Background

The mission of the Office of State Treasurer is “to serve Alabamians as the State’s central bank and trust agency.” The Office was established in 1819 with the primary function to receive, custody, and account for all moneys paid into the State Treasury until the same is properly disbursed or invested. The Office was created by the Constitution of Alabama of 1901, and duties are governed by Title 36, Chapter 17, and Title 41, Chapter 14, Code of Alabama (1975) (the “Code”).

The Treasurer is responsible for establishing banking relationships and maintaining accounts with state depositories for various purposes in conducting the business of the State of Alabama, including accepting deposits and paying State warrants.

3. RFP Objectives

While specific requirements are provided within the respective service sections of this document, the Treasurer’s overall objectives for this RFP are to:

1. Select a Bank that offers efficient and effective services and product solutions that will support the State’s current and future banking needs.
2. Choose a Bank that employs advanced technology in its own processes and which will assist the State in applying technology to improve its processes.
3. Establish optimal pricing for the banking services defined within this RFP.
4. Utilize banking services which will improve processing efficiency, effectiveness, security and enhance control.
5. Seek innovative and creative approaches to banking services to enhance efficiency and/or reduce cost.

4. Minimum Qualifications

In order to be considered for selection, Exhibit C should be included as documented proof that the following minimum qualifications listed below are met. The Bank has a continuing obligation to disclose information throughout the RFP process should any qualifications or situations change that might render the vendor as an unqualified candidate.

1. The Bank is a bank or savings association organized and existing under the laws of Alabama, any other state of the United States, or the United States, and is authorized pursuant to the laws of Alabama or the United States to conduct and is conducting the business of making loans and taking deposits in Alabama.
2. The Bank is not in conservatorship, receivership, or in the possession of a regulatory agency.
3. The Bank has deposit insurance under the provisions of the Federal Deposit Insurance Act, 12 U.S.C. § 1811 et seq.
4. The Bank is a member of the National Automated Clearing House Association (NACHA).
5. The Bank is designated as a Qualified Public Depository under the SAFE Program.
6. The financial statements of the Bank are audited annually by an independent certified public accounting firm.
7. The Bank carries errors and omission insurance or a comparable instrument to cover the firm's negligent acts or omissions.
8. The Bank maintains sufficient procedures and redundancy capabilities to assure continued processing in an emergency.
9. The Bank has a company policy and practice of equal employment opportunity and non-discrimination based on age, race, creed and/or gender.
10. The Bank will comply with *The Beason-Hammon Alabama Taxpayer and Citizen Protection Act*.

5. Proposal Required Information

Proposals should be as thorough and detailed as possible so that your capabilities to provide the required services can be properly evaluated.

To be considered, responses to this RFP must include:

1. brief transmittal letter;
2. Exhibit A, Proposal;
3. Exhibit B, Statement of Charges;
4. Exhibit C, Minimum Qualifications;
5. Exhibit D, Certificate of Compliance, and
6. Disclosure Statement. All proposals submitted in response to this RFP must include a completed Disclosure Statement as required by Section 41-16-80, et seq., Code of Alabama (1975). Copies of the Disclosure Statement, and information, may be downloaded from the Alabama Attorney General's website at www.ago.state.al.us/page-resources.

6. Submission of Proposals

Issuing Office:

Office of State Treasurer Young Boozer
Alabama State Capitol
600 Dexter Avenue, Suite S106
Montgomery, AL 36104

Submission Deadline It is the responsibility of the Bank to ensure that its proposal is timely delivered and received in the Treasurer's Office on or before 5:00 p.m. on May 28, 2014. The Bank will provide an original response, two copies and an electronic version of the response. The Treasurer will not consider proposals received after the date and time specified herein. The Treasurer assumes no responsibility for late delivery by the U.S. Mail, the State's Central Mail Facility, a commercial courier service, or any other method of delivery selected by the Bank. The response may be emailed by the submission deadline with the paper documents delivered within two business days.

Questions and Inquiries The sole point of contact for purposes of this RFP is Daria Story. Any questions or inquiries should be emailed to daria.story@treasury.alabama.gov. All written questions should be submitted by May 22, 2014. Any oral communications shall be considered unofficial and nonbinding on Treasury.

Rejection of all Proposals. The Treasurer reserves the right to reject any or all proposals and/or to solicit additional proposals if that is determined to be fiscally advantageous to the State or otherwise in its best interests.

7. Evaluation and Selection.

All proposals timely received will be reviewed by a Proposal Evaluation Committee. The Committee will recommend proposals to the Treasurer that most closely meets the requirements of the RFP.

Discussions and/or Presentations. After the review and evaluation of the proposals, the Treasurer may conduct interviews. Finalists chosen for interviews will be notified. The Treasurer reserves the right, in his sole discretion, to award a contract based upon the written proposals received without prior discussion or negotiations.

Selection. The Treasurer will select the Bank the Treasurer determines, in his sole discretion, to be fully qualified and best suited among those submitting proposals to fulfill the purposes of the RFP in a cost effective manner.

The RFP shall be posted on the Treasury website www.treasury.alabama.gov, and Finance website www.rfp.alabama.gov. Interested parties may monitor the progress and status of this RFP process on the Treasury website.

8. Agreement

All duties of the Bank shall be set forth in a contract agreement between the Bank and the Treasurer. The contract will incorporate reference to the requirements of the RFP and the Bank's proposal as negotiated. Bank operating agreements, modified to the satisfaction of the Treasurer, will be incorporated into the contract agreement. If a conflict exists among agreement, the contract will rule.

In compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§31-13-9(k), Code of Alabama, 1975, as amended), the contract will include the following language:

“By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”

State law prohibits the Treasurer from agreeing to (1) indemnify the Bank; (2) waive the right for jury trial; (3) grant a security interest; or (4) binding arbitration. Additionally, it is mandatory that Alabama laws apply to the performance of the contract and that jurisdiction and venue be in Montgomery, Alabama for state and federal courts.

9. Efforts to Influence Selection Process Prohibited

The integrity of the RFP process is of primary importance and will not be compromised. Any written or oral communications beyond the RFP response made by Banks, or others on their behalf, whether paid or unpaid, to influence the selection process, from the time the RFP is issued through its conclusion, made directly or indirectly to the Treasurer or staff, Comptroller or staff, and Finance Director or staff will be grounds for immediate elimination from the selection process.

10. Public Information

All responses received will be subject to the Alabama Open Records Act, §36-12-40, Code of Alabama and may be subject to public disclosure upon request. The Open Records Act is remedial and should therefore be liberally construed in favor of the public. The Alabama Trade Secrets Act is §8-27-1 through §8-27-6, Code of Alabama. Responders are cautioned to be familiar with these statutes. The burden is on the one asserting the trade secret to show that the information sought to be protected meets the definition of a Trade Secret as defined in the Act.

Any RFP response submitted that contains confidential, trade secrets or proprietary commercial information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as such. Identification of the entire bid proposal as confidential is not acceptable unless the Firm enumerates the specific grounds or applicable laws which support treatment of the entire material as protected from disclosure according to the foregoing statutes or other applicable Alabama law.

The owner of the confidential information shall indemnify and hold the State of Alabama, the State Treasurer, and Treasury staff harmless from all costs or expenses, including but not limited

to attorney fees and expenses related to litigation concerning disclosure of said information and documents.

EXHIBIT A

PROPOSAL

Part I. Qualifications

1. Provide an overview of your Bank, including the financial condition of the Bank, year of incorporation, overall business objectives, strategic plans for growth, and ownership. Are there any changes pending in this profile? Provide your debt rating, if applicable, for unsecured, subordinate, commercial paper and preferred stock
2. Provide information on all “related” or “affiliated” firms that will assist in providing the services described in this RFP.
3. Provide details of any claims, disputes, litigation, SEC or state regulatory action, or other legal proceedings relating to your firm or individual personnel in the three preceding years.
4. Provide details of any claims, disputes, litigation or other legal proceedings where your firm is involved with the State of Alabama or any of its agencies, or has been involved, in the three preceding years.
5. Describe any activities in which the Bank is engaged which may constitute a conflict of interest.
6. Describe your external audit processes.
 - a. Has the bank ever received a qualified opinion? If so, please provide detail.
 - b. Has the bank changed external auditors in the past five years? If so, why?
7. Describe your general backup procedures in the event of an in-house system failure or a material business disruption (expected to impact operations for more than 8 hours).
8. Describe the coverage you maintain for errors and omission insurance or a comparable instrument to cover the firm’s negligent acts or omissions
9. Provide the following information on at least 3 government or large commercial clients for whom similar services as described in this RFP are provided:
 - Company
 - Address
 - Contact Person
 - Telephone Number
 - Length of Relationship in Years
 - Services Provided

10. Describe your staffing plan for continuous support of the services described in this RFP, including hours of operation, request response time, etc. Provide an organizational chart and biographies of the person/persons assigned to this service.
11. How long has the Bank offered payroll card programs? Provide the following information of number of customers using this service:

# Customers	Cards
	1-100
	101-1,000
	1,001 – 2,500
	2,500 – 5,000
	Over 5,000
12. Describe factors or reasons we should consider your bank more favorably than your competitors.

Part II. Payroll Card Services

The State is considering offering a reloadable payroll card for those employees who do not have their pay direct deposited to a bank account. It is anticipated that approximately 2,000 cards will be issued and maintained. Payroll card transactions will be transmitted in the same ACH file with our direct deposit transaction data up to four times a month.

A. Card Features.

1. Describe features of your payroll card.
2. Is the card signature-based, PIN-based, or both?
3. Are deposits in the payroll card account FDIC insured?
4. Is there a minimum or maximum dollar limit per payroll period or per month?
5. In the event of overpayment or incorrect payment, what options are available to remove or add value to a card?
6. Describe in detail how, where and when a cardholder can access funds, include limits. Include a state map showing all access points, and a spreadsheet listing the access points.
7. Does the card allow one or more withdrawals without a charge to the cardholder?
8. In what timeframe is a card considered inactive? Can the State determine an inactive timeframe, i.e. currently state warrants expire in one year? What happens to funds on inactive cards or cards held by terminated employees?
9. Does the card offer check writing? If so, how are checks obtained? Is there a pre-authorization process?
10. Can a secondary card be issued with a different name for spouse or dependent?

B. Reporting.

1. Describe your reporting package. Is the information exportable to Excel?
2. How and when is information accessible? Is it web-based? How many state persons may access the information?
3. Are custom reports and statements available?

4. For the cardholder, what information is available and how is it accessed? Are monthly statements available? Does the cardholder have inquiry and transaction history access to his information, and if so, describe the format and method offered.

C. Enrollment and Card Issuance.

1. Describe the enrollment process. Is an application required? Are there any reasons that a card would not be issued? If so, provide details.
2. What enrollment materials are available? Is initial and ongoing training provided for administrators and cardholders?
3. How are initial cards ordered for cardholders? Is the card mailed directly to the cardholder, and in what timeframe?
4. Is a PIN required? How is it created?
5. Describe the process for a lost or stolen card. How and when is a replacement card provided?

D. Implementation.

1. Provide sample documents necessary to implement this program.
2. Describe your implementation process, including a sample time line and description of various implementation tasks for your company and for us. How long does it take to get a program started?
3. Do you recommend a pilot program for a small group prior to full implementation?
4. What materials and assistance is provided during the initial high volume implementation?
5. What are some of the common implementation obstacles you have observed?

E. Liability.

1. What liability, if any, does a cardholder have for fraud?
2. What liability, if any, does the state have for fraud?
3. Can overdrafts occur? If so, explain the circumstances and what can be done to mitigate the possibility of overdrafts. Is the state responsible for funding overdrafts?
4. How are lost/stolen cards handled? Is there a timeframe in which the card must be reported in order to have no liability?
5. Describe the security features of the program for the cardholder and the state.

F. Miscellaneous

1. Is your card processed in-house, is processing outsourced, or is the program offered through a third party?
2. Is the card branded with Visa or MasterCard?
3. Is the card a basic design or can it be customized?
4. Explain your customer service support structure for the state and cardholder.
5. Describe the dispute process for cardholders, and provide an example of a disputed issue.
6. Describe any other value-added services you offer for the payroll card program.

Part III: Other Debit Card Services

The State Treasury makes one-time payment by warrant to approximately 12,000 payees annually through its Unclaimed Property Program.

1. Is a one-time issued debit card program available for this service?
2. Review the questions in Part II above, and provide any differences to this program than the payroll card program.

EXHIBIT B

STATEMENT OF CHARGES

Currently, Treasury compensates financial institutions by compensating balances. If charges must be paid by hard dollar, please state such.

Any charge for services not addressed in this Statement of Charges will not be allowed during the course of the contract.

1. Provide a price schedule for all one-time and ongoing fees for payroll card services.
2. If applicable, provide a price schedule for all one-time and ongoing fees for other debit card services.

EXHIBIT C

MINIMUM QUALIFICATIONS

1. The Bank is a bank or savings association organized and existing under the laws of Alabama, any other state of the United States, or the United States, and is authorized pursuant to the laws of Alabama or the United States to conduct and is conducting the business of making loans and taking deposits in Alabama.
_____ Yes _____ No
2. The Bank is not in conservatorship, receivership, or possession of a regulatory agency.
_____ Yes _____ No
3. The Bank has deposit insurance under the provisions of the Federal Deposit Insurance Act, 12 U.S.C. § 1811 et seq.
_____ Yes _____ No
4. The Bank is a member of the National Automated Clearing House Association (NACHA).
_____ Yes _____ No
5. The Bank is designated as a Qualified Public Depository under the SAFE Program.
_____ Yes _____ No
6. The financial statements of the Bank are audited annually by an independent certified public accounting firm.
_____ Yes _____ No
7. The Bank carries errors and omission insurance or a comparable instrument to cover the firm's negligent acts or omissions.
_____ Yes _____ No
8. The Bank maintains sufficient procedures and redundancy capabilities to assure continued processing in an emergency.
_____ Yes _____ No
9. The Bank has a company policy and practice of equal employment opportunity and non-discrimination based on age, race, creed and/or gender.
_____ Yes _____ No
10. The Bank will comply with *The Beason-Hammon Alabama Taxpayer and Citizen Protection Act*.
_____ Yes _____ No

EXHIBIT D

CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act 2012-491)

RE Contract/Grant/Incentive (*describe by number or subject*):

_____ **by and
between** _____

(Contractor/Grantee) and

_____ **(State Agency or
Department or other Public Entity)**

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of _____ with the Contractor/Grantee named above, is authorized to provide the representations that are set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".

2. Applying the following definitions from the Section 3 of the Act, the Contractor/Grantee business structure is as indicated by my initials.

BUSINESS ENTITY. Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

EMPLOYER. Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

_____ a. The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.

_____ b. The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien, as that term is defined in Section 3 of the Act, within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.

{Alien is any person who is not a citizen or national of the United States, as described in 8 U.S.C. § 1101, et seq., and any amendments thereto.}

{Unauthorized Alien is an alien who is not authorized to work in the United States as defined in 8 U.S.C. § 1324a(h)(3).}

4. Contractor/Grantee is enrolled in E-Verify unless *{initial the following selections which apply}*:

_____ (a) it is not eligible to enroll because of the rules of that program or other factors beyond its control.

_____ (b) it is excused from the requirement of enrollment in E-Verify because it does not have an employee in the
State of Alabama.

Certified this _____ day of _____ 20____.

Name of Contractor/Grantee/Recipient

By:

Its

The above Certification was signed in my presence by the person whose name appears above, on this _____ day of
_____ 20_____.

WITNESS _____

Print Name of Witness